



General Assembly

February Session, 2014

***Raised Bill No. 5244***

LCO No. 134



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

***AN ACT CONCERNING ANNUAL REPORTS FILED BY THIRD-PARTY ADMINISTRATORS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-720l of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2014*):

3 (a) Each third-party administrator licensed under section 38a-720j  
4 shall file an annual report for the preceding calendar year with the  
5 commissioner on or before [July] October first of each year as part of  
6 its application for its license renewal or within such extension of time  
7 as the commissioner may grant for good cause. The annual report shall  
8 be in the form and contain such information as the commissioner  
9 prescribes, including evidence that the surety bond required under  
10 subdivision (1) of subsection (a) of section 38a-720j and, if applicable,  
11 subsection (h) of section 38a-720j, remain in force. The information  
12 contained in such report shall be verified by at least two officers of the  
13 third-party administrator.

14 (b) The annual report shall include the complete names and

15 addresses of all insurers or other persons with which the third-party  
16 administrator had written agreements during the preceding fiscal year.

17 [(c) At the time of filing the annual report, the third-party  
18 administrator shall pay a filing fee as specified in section 38a-11.

19 (d) The commissioner shall review the most recently filed annual  
20 report of each third-party administrator on or before September first of  
21 each year. Upon completion of its review, the commissioner shall: (1)  
22 Issue a certification to the third-party administrator that the annual  
23 report shows the third-party administrator is currently licensed and in  
24 good standing, or noting any deficiencies found in such annual report;  
25 or (2) update any electronic database maintained by the National  
26 Association of Insurance Commissioners, its affiliates or subsidiaries,  
27 indicating that the annual report shows the third-party administrator  
28 is compliant with existing law, or noting any deficiencies found in  
29 such annual report.]

30 Sec. 2. Subsection (f) of section 38a-720j of the general statutes is  
31 repealed and the following is substituted in lieu thereof (*Effective July*  
32 *1, 2014*):

33 (f) Any license issued to a third-party administrator shall be in force  
34 until September thirtieth of each year, unless sooner revoked or  
35 suspended as provided in this section. The license may be renewed, at  
36 the discretion of the commissioner, without the resubmission of the  
37 detailed information required in the original application and upon  
38 payment of the fee specified in section 38a-11, as amended by this act,  
39 [without the resubmission of the detailed information required in the  
40 original application] and the filing of the annual report as set forth in  
41 section 38a-720l, as amended by this act.

42 Sec. 3. Subsection (a) of section 38a-11 of the general statutes is  
43 repealed and the following is substituted in lieu thereof (*Effective July*  
44 *1, 2014*):

45 (a) The commissioner shall demand and receive the following fees:  
46 (1) For the annual fee for each license issued to a domestic insurance  
47 company, two hundred dollars; (2) for receiving and filing annual  
48 reports of domestic insurance companies, fifty dollars; (3) for filing all  
49 documents prerequisite to the issuance of a license to an insurance  
50 company, two hundred twenty dollars, except that the fee for such  
51 filings by any health care center, as defined in section 38a-175, shall be  
52 one thousand three hundred fifty dollars; (4) for filing any additional  
53 paper required by law, thirty dollars; (5) for each certificate of  
54 valuation, organization, reciprocity or compliance, forty dollars; (6) for  
55 each certified copy of a license to a company, forty dollars; (7) for each  
56 certified copy of a report or certificate of condition of a company to be  
57 filed in any other state, forty dollars; (8) for amending a certificate of  
58 authority, two hundred dollars; (9) for each license issued to a rating  
59 organization, two hundred dollars. In addition, insurance companies  
60 shall pay any fees imposed under section 12-211; (10) a filing fee of  
61 fifty dollars for each initial application for a license made pursuant to  
62 section 38a-769; (11) with respect to insurance agents' appointments:  
63 (A) A filing fee of fifty dollars for each request for any agent  
64 appointment, except that no filing fee shall be payable for a request for  
65 agent appointment by an insurance company domiciled in a state or  
66 foreign country which does not require any filing fee for a request for  
67 agent appointment for a Connecticut insurance company; (B) a fee of  
68 one hundred dollars for each appointment issued to an agent of a  
69 domestic insurance company or for each appointment continued; and  
70 (C) a fee of eighty dollars for each appointment issued to an agent of  
71 any other insurance company or for each appointment continued,  
72 except that (i) no fee shall be payable for an appointment issued to an  
73 agent of an insurance company domiciled in a state or foreign country  
74 which does not require any fee for an appointment issued to an agent  
75 of a Connecticut insurance company, and (ii) the fee shall be twenty  
76 dollars for each appointment issued or continued to an agent of an  
77 insurance company domiciled in a state or foreign country with a  
78 premium tax rate below Connecticut's premium tax rate; (12) with

79 respect to insurance producers: (A) An examination fee of fifteen  
80 dollars for each examination taken, except when a testing service is  
81 used, the testing service shall pay a fee of fifteen dollars to the  
82 commissioner for each examination taken by an applicant; (B) a fee of  
83 eighty dollars for each license issued; (C) a fee of eighty dollars per  
84 year, or any portion thereof, for each license renewed; and (D) a fee of  
85 eighty dollars for any license renewed under the transitional process  
86 established in section 38a-784; (13) with respect to public adjusters: (A)  
87 An examination fee of fifteen dollars for each examination taken,  
88 except when a testing service is used, the testing service shall pay a fee  
89 of fifteen dollars to the commissioner for each examination taken by an  
90 applicant; and (B) a fee of two hundred fifty dollars for each license  
91 issued or renewed; (14) with respect to casualty adjusters: (A) An  
92 examination fee of twenty dollars for each examination taken, except  
93 when a testing service is used, the testing service shall pay a fee of  
94 twenty dollars to the commissioner for each examination taken by an  
95 applicant; (B) a fee of eighty dollars for each license issued or renewed;  
96 and (C) the expense of any examination administered outside the state  
97 shall be the responsibility of the entity making the request and such  
98 entity shall pay to the commissioner two hundred dollars for such  
99 examination and the actual traveling expenses of the examination  
100 administrator to administer such examination; (15) with respect to  
101 motor vehicle physical damage appraisers: (A) An examination fee of  
102 eighty dollars for each examination taken, except when a testing  
103 service is used, the testing service shall pay a fee of eighty dollars to  
104 the commissioner for each examination taken by an applicant; (B) a fee  
105 of eighty dollars for each license issued or renewed; and (C) the  
106 expense of any examination administered outside the state shall be the  
107 responsibility of the entity making the request and such entity shall  
108 pay to the commissioner two hundred dollars for such examination  
109 and the actual traveling expenses of the examination administrator to  
110 administer such examination; (16) with respect to certified insurance  
111 consultants: (A) An examination fee of twenty-six dollars for each  
112 examination taken, except when a testing service is used, the testing

113 service shall pay a fee of twenty-six dollars to the commissioner for  
114 each examination taken by an applicant; (B) a fee of two hundred fifty  
115 dollars for each license issued; and (C) a fee of two hundred fifty  
116 dollars for each license renewed; (17) with respect to surplus lines  
117 brokers: (A) An examination fee of twenty dollars for each  
118 examination taken, except when a testing service is used, the testing  
119 service shall pay a fee of twenty dollars to the commissioner for each  
120 examination taken by an applicant; and (B) a fee of six hundred  
121 twenty-five dollars for each license issued or renewed; (18) with  
122 respect to fraternal agents, a fee of eighty dollars for each license  
123 issued or renewed; (19) a fee of twenty-six dollars for each license  
124 certificate requested, whether or not a license has been issued; (20)  
125 with respect to domestic and foreign benefit societies shall pay: (A) For  
126 service of process, fifty dollars for each person or insurer to be served;  
127 (B) for filing a certified copy of its charter or articles of association,  
128 fifteen dollars; (C) for filing the annual report, twenty dollars; and (D)  
129 for filing any additional paper required by law, fifteen dollars; (21)  
130 with respect to foreign benefit societies: (A) For each certificate of  
131 organization or compliance, fifteen dollars; (B) for each certified copy  
132 of permit, fifteen dollars; and (C) for each copy of a report or certificate  
133 of condition of a society to be filed in any other state, fifteen dollars;  
134 (22) with respect to reinsurance intermediaries, a fee of six hundred  
135 twenty-five dollars for each license issued or renewed; (23) with  
136 respect to life settlement providers: (A) A filing fee of twenty-six  
137 dollars for each initial application for a license made pursuant to  
138 section 38a-465a; and (B) a fee of forty dollars for each license issued or  
139 renewed; (24) with respect to life settlement brokers: (A) A filing fee of  
140 twenty-six dollars for each initial application for a license made  
141 pursuant to section 38a-465a; and (B) a fee of forty dollars for each  
142 license issued or renewed; (25) with respect to preferred provider  
143 networks, a fee of two thousand seven hundred fifty dollars for each  
144 license issued or renewed; (26) with respect to rental companies, as  
145 defined in section 38a-799, a fee of eighty dollars for each permit  
146 issued or renewed; (27) with respect to medical discount plan

147 organizations licensed under section 38a-479rr, a fee of six hundred  
 148 twenty-five dollars for each license issued or renewed; (28) with  
 149 respect to pharmacy benefits managers, an application fee of one  
 150 hundred dollars for each registration issued or renewed; (29) with  
 151 respect to captive insurance companies, as defined in section 38a-91aa,  
 152 a fee of three hundred seventy-five dollars for each license issued or  
 153 renewed; (30) with respect to each duplicate license issued a fee of fifty  
 154 dollars for each license issued; (31) with respect to surety bail bond  
 155 agents, as defined in section 38a-660, (A) a filing fee of one hundred  
 156 fifty dollars for each initial application for a license, and (B) a fee of one  
 157 hundred dollars for each license issued or renewed; and (32) with  
 158 respect to third-party administrators, as defined in section 38a-720, (A)  
 159 a fee of five hundred dollars for each license issued, and (B) a fee of  
 160 [three hundred fifty] four hundred fifty dollars for each license  
 161 renewed, ], and (C) a fee of one hundred dollars for each annual report  
 162 filed pursuant to section 38a-720l.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014</i>	38a-720l
Sec. 2	<i>July 1, 2014</i>	38a-720j(f)
Sec. 3	<i>July 1, 2014</i>	38a-11(a)

**Statement of Purpose:**

To require the annual report submitted by third-party administrators to be filed with its license renewal application.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*